

# Corrections to Fee Structure

August 2, 2007

Eric C. Massey, Manager  
Air Quality Compliance Section

# Background of Permit Fee Rule

---

- Purpose
  - Fund the functions in the AQD that are responsible for permit related activities
- 2004 Amendments
  - Did not permanently resolve insolvency issues

# Historical Expenditures, Revenues and Objectives

---

- Air Pollution and Administration Fund Solvency
  - Can not accommodate State-wide salary raises approved by the Legislature
  - Does not allow the program to grow to accommodate:
    - New complex sources of air pollution
    - New legislative and EPA mandates

# Historical Expenditures, Revenues and Objectives

---

- Workload and Existing Staffing Levels
  - Compliance Monitoring Strategy and Performance Measures
  - Proposed Arizona Clean Fuels, Yuma L.L.C. Refinery
  - Ambient Air Modeling and Monitoring Requirements
  - Air Quality Records Clerk

# Adjustments Percentages to Administrative and Emissions Fees

---

- Approach to Revising the Fee Rule is as follows:
  - Increase annual administrative fees for all sources by an average of 50%
  - Increase emission fees from \$13.24 to \$38.25 per ton
    - Equivalent to EPA rate
  - Increase processing fee from \$98.80 to \$133.50
    - $(\text{Billable engineers}) * (\text{Billable hours}) * (\text{Burden rate})$

# Language Amendments in Strawman Draft

---

- R18-2-326. Fees Related to Individual Permits
  - Fee Dates for Permit Actions
    - Billing
    - Effective Rule Date
  - Fees for Contracted Services
  - Fees for Class I Title V Petroleum Refineries
  - Air Curtain Destructors

# Language Amendments in Strawman Draft

---

- R18-2-511. Fees Related to General Permits
  - Permit Processing Fee
    - Requests for new Authorizations to Operate
  - Administrative or Inspection Fee
    - January 1<sup>st</sup> startup date



Questions?